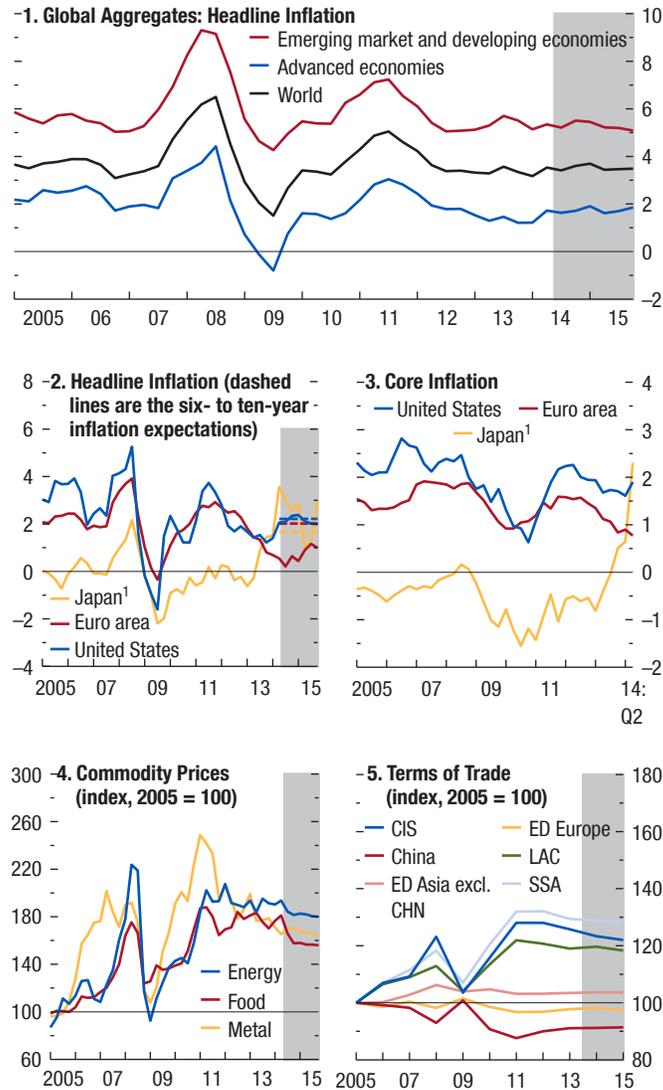


Figure 1.2. Global Inflation
(Year-over-year percent change, unless indicated otherwise)

Inflation has generally remained below central bank targets in advanced economies, an indication of continued substantial economic slack. In Japan, headline inflation has risen above 3 percent while core inflation has risen above 2 percent. But excluding the effects on the price level of the increase in the consumption tax rate from 5 to 8 percent in the second quarter of 2014, headline inflation is running at about 1¼ percent, below the Bank of Japan's inflation target. In emerging market and developing economies, inflation has remained broadly stable.



Sources: Consensus Economics; IMF, Primary Commodity Price System; and IMF staff estimates.
 Note: CIS = Commonwealth of Independent States; ED Asia excl. China = emerging and developing Asia excluding China; ED Europe = emerging and developing Europe; LAC = Latin America and the Caribbean; SSA = sub-Saharan Africa.
¹In Japan, the increase in inflation in 2014 reflects, to a large extent, the increase in the consumption tax.